

**TWINNING CONTRACT**

**Support to the Statistics**

**Kosovo**



**MISSION REPORT**

**on**

**3.4.9: Continued support to improving quality of SBS and STS**

**Component no 3 Business Statistics**

Mission carried out by Virginia Balea, Statistics Denmark

1 to 5 February 2016


*IPA 2012*

*Author's name, address, e-mail*

*Virginia Balea  
Statistics Denmark  
Sejrøgade 11  
DK-2100 Copenhagen Ø  
Denmark  
Tel: +40723649647  
Email: virginia.balea@insse.ro*

## **Table of contents**

Executive Summary.....	3
1. General comments .....	4
2. Assessment and results.....	4
3. Conclusions and recommendations.....	5
Annex 3. Persons met .....	7

## **List of Abbreviations**

KAS	Kosovo Agency for Statistics
ToR	Terms of Reference
NACE rev.2	Nomenclature statistique des activités économiques dans la Communauté européenne, revision 2
SBS	Structural Business Survey
STS	Short term statistics
BR	Business Register

## **Executive Summary**

The aim of the mission was to revise the Structural Business questionnaire for 2015 data collection, to draft the quality report for SBS and to analyse the data collected throughout industry production survey (quarterly STS industrial output).

During the mission the quality metadata report developed by Eurostat for SBS has been discussed and filled in for Kosovo SNS 2014 results.

KAS prepared sets of data based on Statistical Business Register to discuss the approach for selecting sample for 2015 reference year SBS and 2016 quarterly industrial production output.

Concerning Short Term Statistics the mission focused on pilot survey results for Industrial Production Index. Data collected throughout the pilot survey have been used to the simulation for calculating industrial production index. The industrial production price index available is not of sufficient detail.

## 1. General comments

This mission report was prepared within the Twinning Project „Support to Statistics”. The mission was to work on improving the availability of SBS data and improving STS data. Quality data from SBS and STS are important for National Accounts Division who is planning to use Supply and Use Tables for the National Accounts. This mission was a continuation of activity 3.2.1.5.

The specific objective of the mission was:

- to work with KAS professionals on SBS and STS on improving SBS and STS data.

The consultant would like to express their thanks to all officials and individuals met for their kind support and valuable information which were received during the stay in Kosovo, and which highly facilitated the work of the consultant.

**The views and observations stated in this report are those of the consultants and do not necessarily correspond to the views of EU, KAS or Statistics Denmark.**

## 2. Assessment and results

The expert has given recommendations on the work progress within the duration of the Twinning project taking into account their perception of the capability of absorption within KAS. Primarily due to a small number of staff, the expert recommends a strong coordination of development of the business statistics.

The tasks to be prioritized should be the ones with the largest benefit. The SBS data collection was redesigned in order to meet the requirements of the EU SBS regulations.

The discussion in the first day focused on the structure, questions and model of 2016 SBS questionnaire. The discussions were attended by national accounts department staff and the twinning experts on national accounts. It was proposed to keep the structure of the 2014 questionnaire but to reshuffle the content. The main chapters of questionnaire will cover employment, income, expenditures, stocks and investments. Additional to those chapters, in order to address national accounts requests few tables should be included. They will refer to the breakdown of main indicators by kind of activity units, breakdown of intermediate consumption by categories, investments split by type of investments (gross investments, new investments, repairs).

It was proposed that the questionnaires with the tables regarding the breakdown of main indicators by activities, the breakdown of intermediate consumption to be sent only to large enterprises. In order to keep consistency of the data collection the above mentioned tables might be included in the end of the questionnaire. Model of the proposed questionnaire is attached to this report.

The basis of quality report was the EU quality report to be filled in by member states. The following quality dimensions were treated: relevance, accuracy and reliability, coherence and comparability, timeliness and punctuality, accessibility and clarity. The quality report was filled in with information referring to 2014 SBS.

Concerning short term statistics the mission focused on the questionnaire used to collect data to produce industrial production index.

So far, KAS collected turnover quarterly. In order to calculate industrial production index (IPI) data can be based on turnover or production but the figures need to be deflated. The index recommended to be used for deflating industry output is industrial production price index.

The questionnaire used for testing contains both variables turnover and production. The data for production were collected in value and in quantity by CPA products. However, in order to compute the index similar levels of prices and production output are requested.

A simulation of computing the industrial production index has been carried out on collected data. The main issue for computing volume index of production is the availability of industrial production price index (IPPI). The lowest level of detail is division level (two digit) but this level is too aggregated for the purpose of calculating industrial production index. Therefore it is recommended to use a proxy of IPPI computed by dividing the value of production by quantity. The derived base price can be used in order to deflate the current value of production. Regarding the weights to be applied to calculate aggregated levels of index the structure of base year SBS turnover has been used.

As regards the SBS sample for 2015 reference year several analyses of the sampling frame have been carried out. Several approaches have been considered. Based on the current situation the strata might be constructed taking into account the size class of the enterprises and activity code at division level. The threshold of exhaustiveness is recommended to be established at 20 plus employees covering in this way about 65% of total turnover.

### 3. Conclusions and recommendations

In general, the consultant finds that KAS has a relatively good foundation for business statistics namely good administrative registers covering the business community and good relationship and cooperation with the relevant authorities.

Considering sustainability of work done within SBS and STS fields during the Twinning project the following activities which have been developed have to be continued and further developed:

#### For SBS

- data collection should continue using the revised questionnaire and the validation rules and correlations;
- the SBS sample should be drawn using Neyman allocation for strata below 20 employees;
- the enterprises with 20 employees and more is recommended to be considered exhaustively in the SBS sample; the same for those strata containing less than 6 enterprises;
- it is recommended that the tables regarding the breakdown of main indicators by activities, the breakdown of intermediate consumption and transport to be sent only to large enterprises, 20 and more employees. In order to keep consistency of the data collection the above mentioned tables should be included in the end of the questionnaire;
- continue producing and updating the quality metadata report.

#### For STS

- collecting data on production value and quantity using Prodcom classification on a regular basis starting with first quarter 2016. Data will be collected quarterly but on short run it might be switched from quarterly data collection to monthly;

- maintaining data collection regarding turnover of industrial activities and continue publishing turnover index;
- the enterprises with 20 employees and more is recommended to be considered exhaustively for the STS sample; the same for those strata containing less than 6 enterprises;
- based on the examples provided it should start calculate output index, industrial production index; the basis year will be 2016;
- a methodology for computing volume index in trade has to be developed

Insufficient number of staff to deal with SBS is the main obstacle for further development of the structural business statistics. It is recommended to allocate one additional person to work on SBS validation of data.

## **Annex 3. Persons met**

### KAS:

Mr. Hysni Elshani, Head of sector  
Mr. Muhamet Kastrati, Manager of database  
Ms. Luljeta Krasniqi, Senior Officer for SBS  
Mr. Ismajl Sahiti, Head of Division  
Ms. Valdete Navakazi, Senior Officer for STS

### RTA Team:

Per Knudsen, RTA  
Nora Zogaj, RTA Assistant



**EU Twinning Project**  
**KS12 IB ST 01**  
**Support to Statistics**

**Terms of Reference:**

**Component 3: Business Statistics**  
**Activity 3.4.9: Continued support to improvement of Short-term Statistics**

**Scheduling:**

**ToR –ready date:** 18 January 2016  
**Start / end of activity:** 1-5 February 2016  
**Reporting time:** 12 February 2016

**Mandatory result of the component:**

Mandatory Result	Intervention logic	Benchmarks	Sources of information	Assumptions
<b>Mandatory Result 3.2 and 3.3</b>	Structural Business Statistics (SBS) Reducing of production time and improving quality of SBS  Preparing short-term statistic according to NACE Rev. 2	<ul style="list-style-type: none"> <li>Mission report describing work done and work further to be completed on questionnaire and sample design</li> </ul>	<ul style="list-style-type: none"> <li>Twinning Quarterly reports</li> <li>Mission reports</li> </ul>	<ul style="list-style-type: none"> <li>Sufficient absorption capacity</li> <li>Access to administrative and survey data</li> <li>Low turn-over of staff involved in implementation</li> <li>Staff works on project related tasks in between missions</li> </ul>

**Subject / purpose of activity 3.4.9:**

This mission is a continuation of activity 3.4.8 on SBS and STS which took place in November 2015.

In cooperation with KAS the expert will work on improving SBS and STS data. Quality data from SBS and STS are important for National Accounts. For SBS the sample for 2015 and the quality reports will be discussed, and if time permits, also the re-design of the questionnaire will be discussed. Regarding STS the data, collected by the new pilot questionnaire, will be examined and the steps of table production will be discussed.

As this is the final mission on SBS and STS, work and improvements during the project should be considered. Also the sustainability of the progress made should be considered.



**Expected output of activity 3.4.9:**

- KAS people after this mission have greater understanding of how to continue to improve SBS and STS.
- Considering sustainability of work done within these fields during the Twinning project

**KAS resources:**

Mr. Ismajl Sahiti, Head of Division, [ismail.sahiti@rks-gov.net](mailto:ismail.sahiti@rks-gov.net) (Component Leader)

Ms. ValdeteNavakazi, Senior Officer for STS, [valdete.navakazi@rks-gov.net](mailto:valdete.navakazi@rks-gov.net)

Ms. LuljetaKrasniqi, Senior Officer for SBS, [luljeta.krasniqi@rks-gov.net](mailto:luljeta.krasniqi@rks-gov.net)

Mr. HysniElshani, Head of sector, [hysni.elshani@rks-gov.net](mailto:hysni.elshani@rks-gov.net)

Mr. MuhametKastrati, Manager of database, [muhamet.kastrati@rks-gov.net](mailto:muhamet.kastrati@rks-gov.net)

Mr. BekimBojku, Senior Officer for energy statistics, [bekim.bojku@rks-gov.net](mailto:bekim.bojku@rks-gov.net)

**KAS Twinning team:**

Project Leader Mr. Ilir T. Berisha, Director of Economic Statistics and National Accounts,

[Ilir.T.Berisha@rks-gov.net](mailto:Ilir.T.Berisha@rks-gov.net)

RTA Counterpart Ms.Teuta Zyberi, International Relations Officer, [teuta.zyberi@rks-gov.net](mailto:teuta.zyberi@rks-gov.net)

**Member state resources:**

Ms. Virginia Balea, Senior Consultant, Statistics Denmark, [Virginia.balea@insse.ro](mailto:Virginia.balea@insse.ro)

**Twinning resources:**

Mr Per Knudsen, RTA, [pkn@dst.dk](mailto:pkn@dst.dk)

Ms Nora Zogaj, RTA Assistant, [nzogaj@yahoo.com](mailto:nzogaj@yahoo.com)

**Description of the background for the activity**

In the first Twinning mission on Business Statistics, “Overall Assessment of Business Statistics and Prioritization of Actions (3.1.1)” the two Danish experts Peter Ottosen and Søren Netterstrøm states the following about SBS and STS:

***SBS:***

*The most important issue for SBS is to have data ready for National Account at a much earlier stage.*

*The methods for sampling, imputation and estimation may need to be revised.*

*A major reason for the late availability of data is that the sample from SBR was delayed. This issue has to be addressed by SBR and some improvement should be obtained for 2013. After collection is completed, data are verified; missing data are obtained from larger units (+200 employees) or imputed. This takes 2 months. The project should look into these matters in order to find ways to further improve the timeliness.*

*The questionnaire and the methods for estimation should be examined and revised if needed.*

*A long term development plan for future improvements must be developed.*

***STS***

*The development of the three main STS indicators should first of all focus on publication based on existing data and then exhaustiveness and statistical methodology as well as mapping gaps between the current situation and EU-legislation*

**Activities to be undertaken in preparation for the mission:**

All previous mission reports on SBS and STS can be found at [www.dst.dk/kosovo](http://www.dst.dk/kosovo)

**The expected activities are:**

- Working with KAS participants on SBS and STS data. Working with tasks from the work plan. Updating the work plan.
- Revision of questionnaire, sample, data collection, data quality, imputation, index calculation and publication.
- 

**Expected output:**

- Mission report – according to template
- Considering sustainability of work done within the Twinning project
- Mission report stating work done on STS and SBS during the project. Including recommendations for future action after the Twinning

**Annex 1. Program, February 2015**

Day	Place	Time	Event
<b>1</b>	KAS	10:00	Introductory remarks to this part of component 3
		10:00 – 16:00	Workshop: Reviewing SBS and STS data
<b>2</b>	KAS	09:00-	Workshop: Reviewing SBS and STS data
<b>3</b>	KAS	09:00- 16:00	Workshop: Reviewing SBS and STS data
<b>4</b>	KAS	09:00- 16:00	Workshop: Reviewing SBS and STS data
<b>5</b>	KAS	09:00- 12:00	Workshop: Reviewing SBS and STS data Discussing recommendations
		13:00- 16:00	Report writing Debriefing: Experts, Component Leader and RTA